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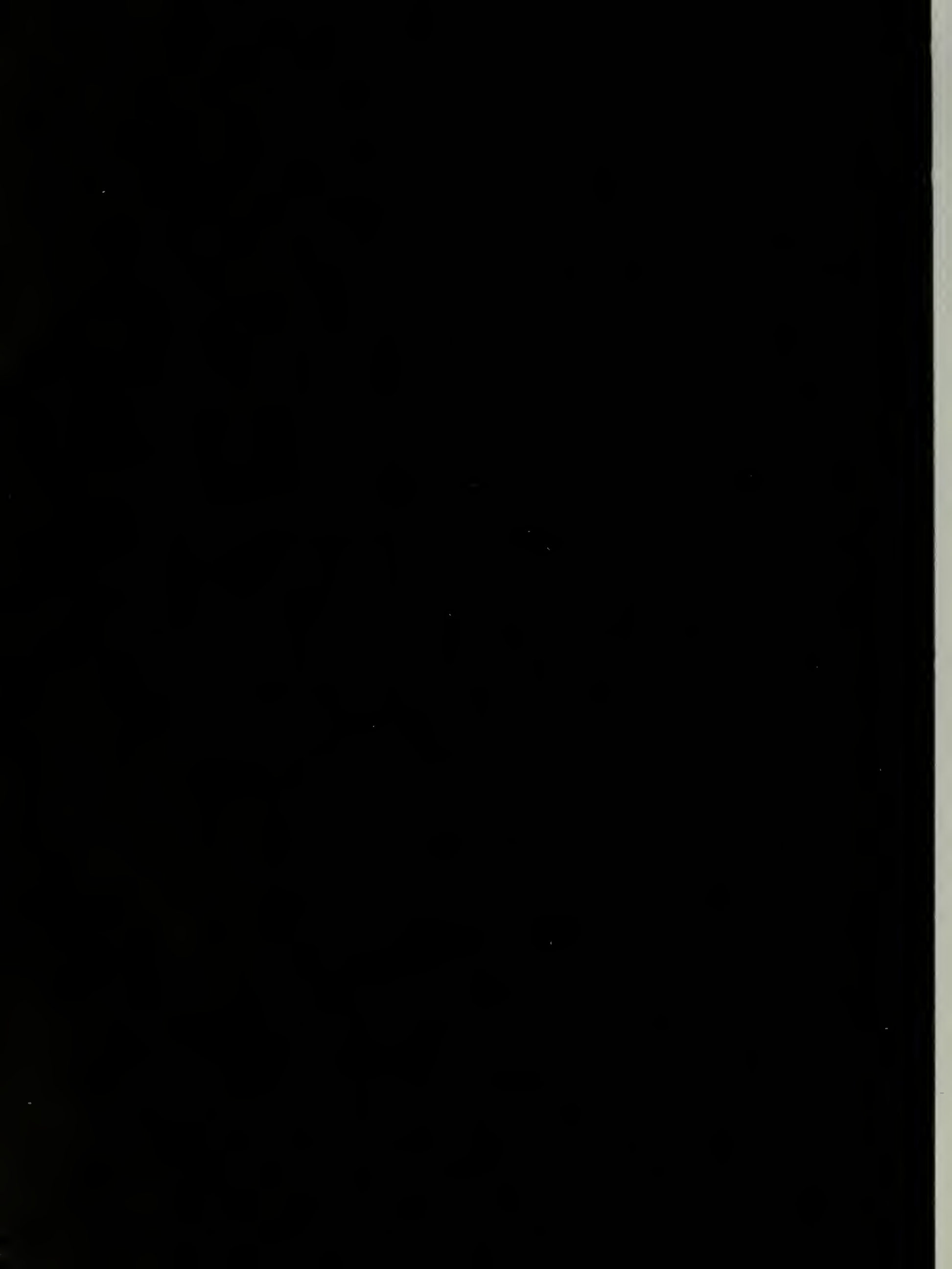


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The Commonwealth of Massachusetts

Office of the Commissioner of Banks

Leverett Saltonstall Building

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THOMAS J. CURRY
COMMISSIONER

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IN THE MATTER OF
CAPEBANK, A MASSACHUSETTS CO-OPERATIVE BANK, HYANNIS, MASSACHUSETTS
APPLICATION FOR APPROVAL OF A SUPERVISORY CONVERSION
FROM A MUTUAL CO-OPERATIVE BANK TO A STOCK CO-OPERATIVE BANK

DECISION

CapeBank, A Massachusetts Co-operative Bank, Hyannis, Massachusetts ("CapeBank" or "Bank") is a duly chartered co-operative bank with one banking office in Hyannis and assets of approximately \$32 million as of June 30, 1995. The Bank has applied pursuant to chapter 170, section 26C of the Massachusetts General Laws and 209 CMR 33.00, Subpart B ("Subpart B") for permission to convert from a co-operative bank in mutual form to a co-operative bank in stock form. Subpart B governs supervisory stock conversions in which newly issued capital stock is sold to third parties and the account holders of a co-operative bank have no voting or subscription rights. In conjunction with this application, certain related authorities were granted by the Board of Bank Incorporation and are set forth in a separate vote of authorization issued by the Board on May 19, 1995.

Under Subpart B, the Commissioner must determine that there is no equity value realizable by the mutual account holders. In Administrative Bulletin 34-1 (the "Bulletin") issued on October 29, 1992, the Division determined that for the purposes of a supervisory conversion no equity value would be realized upon the liquidation of a bank which is "significantly undercapitalized" or "critically undercapitalized" as those terms are defined in regulations of the

Federal Deposit Insurance Corporation ("FDIC") at 12 CFR § 325.103.

CapeBank, at December 31, 1994, had stated capital of approximately \$3.8 million. CapeBank owes the Co-operative Central Bank approximately \$3.17 million out of \$5.57 million in capital assistance originally granted to CapeBank on April 14, 1987 to enable it to qualify for FDIC deposit insurance. The Co-operative Central Bank is authorized to provide capital assistance to its member co-operative banks pursuant to St. 1934, c.73. Traditionally, such assistance has been provided on a relatively short term basis. Since its inception CapeBank has generated minimal earnings. As a result, Capebank has repeatedly missed scheduled payments of interest and principal under its capital assistance agreement with the Co-operative Central Bank. In addition, approximately \$1 million is owed by CapeBank to certificate holders in a Special Surplus Fund established at the time CapeBank was chartered.

On December 19, 1995, the FDIC approved the retirement of the mutual capital certificates. Additionally, the FDIC approved CapeBank's conversion to stock form through a non-objection letter issued on December 29, 1995. On January 8, 1996, immediately prior to this transaction, CapeBank repaid the Co-operative Central Bank approximately \$2.8 million in full satisfaction of all outstanding financial assistance under a separate agreement between the two parties. As a result of the repayment of the mutual capital certificates, CapeBank has become "significantly undercapitalized" within the meaning of the Bulletin.

This multi-step transaction will resolve a number of regulatory concerns relative to CapeBank. A total capital contribution of \$8 million will recapitalize CapeBank and bring it into conformance with governing FDIC capital requirements for a "well capitalized" institution. The capital infusion will be made by a group of investors who will purchase a total of \$8 million of

the Bank's capital stock in two installments. One of the investors, who has extensive banking experience rehabilitating institutions with financial weaknesses, became CapeBank's Chief Executive Officer in mid 1995. This capital infusion will allow the Bank to meet capital requirements and afford the opportunity for future growth and expansion of the Bank's deposit base, mortgage lending operations and other activities permitted by law. Moreover, the Co-operative Central Bank is repaid the financial assistance it provided CapeBank in order to secure FDIC insurance coverage of its deposits.

Based upon a review of the record, CapeBank was found to have complied with all the statutory and regulatory filing requirements necessary for a completed supervisory stock conversion application, including the requirement that such supervisory conversion has been authorized by an affirmative vote of at least two-thirds of CapeBank's Board of Directors. The completed application and all other material required to be filed have been considered in accordance with Massachusetts General Laws and applicable stock conversion regulations.

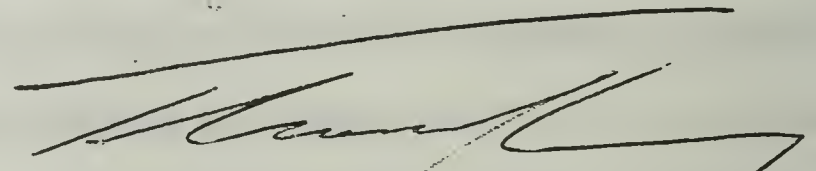
By restoring the financial soundness of the Bank, the conversion will benefit the community in which it operates. This transaction is vastly preferable to instituting further serious regulatory action. Other banks will not be adversely affected by the conversion and the public's access to credit within CapeBank's communities will also not be adversely affected.

Accordingly, on the basis of the record indicated above and a determination that all provisions of 209 CMR 33.16 have been met, I hereby approve the Application for Supervisory Conversion, the Plan of Voluntary Supervisory Conversion of CapeBank, A Massachusetts Co-operative Bank, ("Plan of Supervisory Conversion"), including the Amended and Restated Charter of CapeBank, A Massachusetts Co-operative Bank, the Stock Purchase Agreement, and the

proposed purchasers, the purchase price, the closing date for the purchase and the other terms of sale as set forth in the foregoing documents. Upon conversion CapeBank will be fully authorized to transact the business of a state-chartered co-operative bank in stock form. This approval is conditioned upon the completion of the initial sale of \$5.6 million of the stock to be issued in the conversion within the time period required by 209 CMR 33.19(3). All other provisions of 209 CMR 33.00, Subpart B are incorporated by reference in this approval including the requirement in 209 CMR 33.19(5) that no amendment to the Plan of Supervisory Conversion may be made without approval of the Commissioner.

January 8, 1996

Date



Thomas J. Curry
Commissioner of Banks



The Commonwealth of Massachusetts

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DECISION
RELATIVE TO THE MERGER OF
FLAGSHIP BANK AND TRUST COMPANY, WORCESTER, MASSACHUSETTS
WITH AND INTO
CHITTENDEN ACQUISITION BANK, WORCESTER, MASSACHUSETTS

Pursuant to the provisions of Massachusetts General Laws chapter 172, section 36, Flagship Bank and Trust Company ("Flagship"), Worcester, Massachusetts has petitioned the Division of Banks ("Division") to merge with Chittenden Acquisition Bank, Worcester, Massachusetts under the charter and by-laws of the Chittenden Acquisition Bank. As part of the merger the Division has been informed that the name of the continuing bank, Chittenden Acquisition Bank, will be changed to Flagship Bank and Trust Company. The proposed merger is part of a multi-step transaction to effectuate the acquisition by Chittenden Corporation, Burlington, Vermont. Certain applications related to this matter, including an application to form Chittenden Acquisition Bank, were filed with the Commonwealth's Board of Bank Incorporation which on this same date approved the petitions before it.

Flagship is a state-chartered trust company. It was organized under chapter 172 of the General Laws and began to transact business in December of 1987. At September 30, 1995 it had assets of approximately \$265 million and operates four banking offices in Worcester and one in Leominster, Massachusetts. As noted above, Chittenden Acquisition Bank was formed as part of this multi-step transaction.

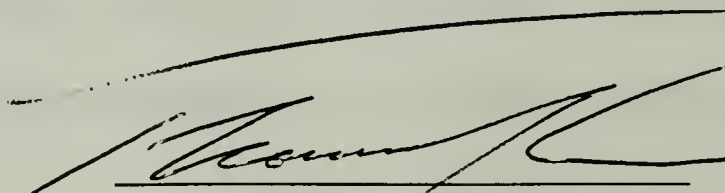
The Division has reviewed this transaction for compliance with the provisions of section 36 of chapter 172. Economic, financial and managerial factors related to this transaction have also been reviewed and considered. Flagship's public rating of "Outstanding" under the Community Reinvestment Act, section 14 of chapter 167 of the General Laws, was also a factor in the substantive review of this application. The Division's analysis of public convenience and advantage as well as the competitive impact of the merger weigh in favor of the proposed transaction.

On the basis of the foregoing considerations, the record of this application, and the statutory and regulatory requirements, approval is granted to merge Flagship with and into Chittenden Acquisition Bank, and for the continuing bank to maintain the banking offices of Flagship as its offices.

The approvals granted herein are subject to the following conditions:

- (1) that prior to any merger, Chittenden Acquisition Bank obtain a certificate to transact business from the Board of Bank Incorporation;
- (2) that the proposed merger shall not become effective until a Certificate signed by the Presidents and Clerks or other duly authorized officers of each bank indicating that each institution has complied with the provisions of Massachusetts General Laws chapter 172, section 36 has been returned with my endorsement thereon;
- (3) that the proposed merger shall not become effective until Articles of Merger with my endorsement thereon are filed with the Secretary of State; and
- (4) that the proposed merger be consummated within one year of the date of this Decision.

2/22/96
Date



Thomas J. Curry
Commissioner of Banks



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MAR 03 1998

DECISION

RELATIVE TO THE APPLICATION OF
BRISTOL COUNTY SAVINGS BANK, TAUNTON
TO BECOME A MUTUAL HOLDING COMPANY

University of Massachusetts
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Bristol County Savings Bank (the "Petitioner"), Taunton, Massachusetts, a state-chartered savings bank, in mutual form, has filed with the Division of Banks for approval to reorganize so as to become a mutual holding company. The reorganization is to be accomplished pursuant to the provisions of Massachusetts General Laws chapter 167H, section 3 and effective in accordance with a Plan of Reorganization approved and adopted by both the Petitioner's Board of Trustees and its Corporators on November 28, 1995 and December 13, 1995, respectively. The mutual holding company will be known as Beacon Bancorp (the "Holding Company") and headquartered at 35 Broadway, Taunton, Massachusetts. As part of the reorganization, the Petitioner will establish a subsidiary savings bank, in stock form, which will use the name Bristol County Savings Bank (the "Subsidiary Bank"). Accordingly, the Petitioner filed an application with the Board of Bank Incorporation (the "Board") relative to the formation of the Subsidiary Bank. The merits of that application were, by statute, considered by the Board, which issued, as of this same date, a certificate to commence business for the Subsidiary Bank.

In accordance with the provisions of said chapter 167H, the Petitioner has submitted the requisite documents and information relative to this transaction. Notice has been given to its

depositors and to the public. The deadline for filing comments has passed. Consequently, the reorganization has been considered in conformity with relevant statutory and regulatory provisions.

The application and supporting documents have established an extensive record on this petition which has been reviewed in light of the statutory and regulatory provisions as well as policies of the Division. Those statutory requirements necessitate that, among other things, the Division consider whether the reorganization will be unfair to the depositors of the Petitioner and whether the public will be served by this transaction. Having considered the record established in this application, the Division has determined that statutory and administrative considerations support approval of the reorganization.

In accordance with these findings and pursuant to statute, I hereby approve the reorganization subject to the submission to the Division of a favorable tax ruling or opinion of counsel no later than at the time of closing of the transaction and the following considerations:

1. The reorganization shall not be consummated until:
 - a. all additional regulatory approvals have been obtained; and
 - b. all of the assets of the Petitioner are transferred to the Subsidiary Bank subject to the retention of such assets as referred to in a supplemental filing consisting of investment securities having a book value of up to \$5,000,000 and cash in the amount of up to \$250,000.
2. Commencing with the acquisition's effective date, the Division's minimum capital requirements for the Subsidiary Bank and the Holding Company are as follows:
 - a. the Subsidiary Bank's Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon

the Subsidiary Bank's most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amount of capital shall be calculated in accordance with 12 CFR Part 325.

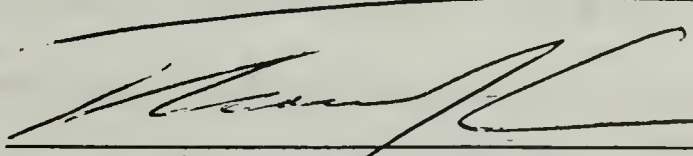
- b. the Holding Company's Tier 1 capital must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon its most recent call report or any amendment thereto as reported to the federal or state authority. The amount of capital shall be calculated in accordance with 12 CFR Part 325; and
- c. If the minimum capital ratios fall or would fall below those stated in clauses a and b, the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the minimum capital ratios set out herein are maintained.

3. After the completion of the reorganization

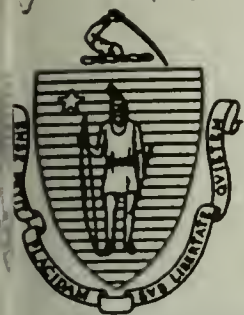
- a. the Holding Company may engage in only such activities as are now or may hereinafter be activities authorized for a mutual holding company under section 7 and other applicable provisions of chapter 167H; and
- b. the Subsidiary Bank may engage in any investment or activity which it may from time to time engage in as a state-chartered savings bank in stock form.

4. That Articles of Organization and/or Charter documents be placed on record with the Office of the Secretary of State.

March 29, 1996
Date


Commissioner of Banks

MASS. AT 296-976/5-21



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LLIAM F. WELD
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OMAS J. CURRY
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GOVERNMENT DOCUMENTS
COLLECTION

MAR 03 1998

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DECISION
RELATIVE TO THE APPLICATIONS OF
UNITED CO-OPERATIVE BANK, WEST SPRINGFIELD, MASSACHUSETTS
TO CLOSE ITS BRANCH OFFICE AT 14 MAIN STREET, CHESTER
AND
TO ESTABLISH A BRANCH OFFICE AT 14 RUSSELL STREET, HUNTINGTON

The United Co-operative Bank ("United"), West Springfield, Massachusetts has petitioned the Division of Banks (the "Division") to close its branch office at 14 Main Street, Chester (the "Closing") and to establish a branch office at 14 Russell Street, Huntington (the "Opening"). The applications were submitted pursuant to the provisions of General Laws chapter 167C, section 3. Under that statute the closing or establishment of a branch office by a state-chartered bank, such as United, is subject to such notice and hearing as the Commissioner of Banks (the "Commissioner") may require and is subject to the written permission and any conditions which the Commissioner may impose.

The applications submitted were complete in their compliance with the administrative mandates of the Division. Accordingly, notice of the applications was posted and published in accordance with the Division's standard procedures thereby affording interested parties the opportunity to submit comments. The initial public comment period on the applications ended on March 15, 1996. During the open comment period the Division received numerous statements and petitions from individuals, businesses, community and business associations, as well as public officials. Those comments were divided in opposition to the Closing and in support of the

Opening. Separate petitions submitted included several hundred signatures opposed to the Closing and in support of the Opening. As a result of the significant comments received, the Division ordered a public hearing so that it could receive additional facts on the issues raised.

The hearing was held on Wednesday, April 24, 1996 in the auditorium in Chester's Town Hall. The Division scheduled the hearing at 5:00 P.M. and in Chester for the convenience of those most impacted by the proposed Closing, the residents of Chester. The Division took oral testimony from United and other individuals supporting the movement of the branch office to Huntington as well as the concerned people opposed to the Closing. In total, twenty-two individuals made public statements during the hearing which lasted two hours. By direction of the Division, the supplemental comment period after the hearing extended to May 3, 1996. Additional comments have been received in writing during the supplemental filing period which has now ended. All of this information in addition to internal research and examination documents provided the Division with an ample record on which to review the applications relative to the Closing and the Opening.

As part of this process, the Division took additional steps to become more familiar with the area involved in the transactions. The area, including the branch office in Chester, was visited twice. On the day of the hearing, the distance as well as travel time between the two locations were marked and the general activity at each location was noted. On March 29, 1996 while returning from Berkshire County, I also visited the branch office and travelled through the business areas of the several surrounding towns which lie at the foothills of the Berkshires and are referred to as the "Hilltowns". Additionally, the Division acquired and reviewed the publications prepared by the Executive Office of Communities & Development and published by

the Secretary of State entitled "A Community Profile" on certain of the Hilltowns. The profiles include information from various identified sources on the government; geography; demographics; housing characteristics; educational information; economic development; municipal finance; cultural and recreational opportunities as well as other miscellaneous information. The narrative portion is supplied by each community. According to the Profile of Chester it is known as "The Gem of the Valley". It was also noted in Huntington's Profile that it is referred to locally as the gateway to the Berkshires. According to information available to it the Division has noted that population in the Hilltowns ranges from 412 people in Middlefield to 2095 in Huntington. The rugged terrain in the area provides many natural resources and outdoor activities while serving as residential communities. Over 70% of the workers in the various towns commute to jobs outside the Hilltowns.

As stated at the beginning of the public hearing there are several factors that the Division considers in conjunction with an application filed relative to a branch office. Both by statute and procedure the Division examines the financial and managerial resources of the institution; the convenience and needs of the community or communities served by the branch office; competition among financial institutions; and the applicants record of performance under the Massachusetts Community Reinvestment Act ("CRA"). In the case of an application to close a branch office, the Division considers the reasons the specific closing is being sought; the affect on the areas served by the branch office as well as the continued availability of credit and deposit services. The decision to close a branch office is made initially by a bank. If the bank is chartered by the Commonwealth, as is United, it must seek the approval of the Division under the procedure detailed herein and consistent with the applicable statute. In deciding upon an

application to close a branch office, the Commissioner reviews all pertinent information to determine that the area served by the branch office will not be adversely affected by the transaction.

Information submitted with the application reflects that as of December 31, 1995, United had assets of approximately \$313 million. United offers a wide range of credit and deposit services to its consumer and commercial customers. It serves its customers from its main office and seven branch offices. Ten years ago United moved its main office from Springfield to West Springfield.

The banking office in Chester is located at the beginning of the business district. It consists of a teller area to the rear of the entrance and shares space with an insurance company which occupies the left side of the building. The branch office is open seven hours on Monday and Tuesday; eight hours on Thursday and Friday; three hours on Saturday; and closed on Wednesday. It is staffed with two full time equivalent teller positions. Deposit balances attributed to the branch office in Chester have remained at just over \$4 million for the last three years. United has acknowledged that another \$4 million in deposits are received from Hilltown residents but booked at other offices for a variety of reasons including but not limited to being opened at a United branch office close to their work or for privacy reasons.

The branch office is the last remaining vestige of the former Chester Co-operative Bank which was incorporated in 1923 by local residents and began to transact business on January 10, 1924. The pride and respect for that institution and the many townspeople who served it faithfully over the years was clearly evident from the comments submitted and the testimony

received on the proposed Closing. Those fond memories are captured forever in the Chester Co-operative Bank patch included on the quilt which serves as the backdrop to the auditorium stage in the Town Hall. The Chester Co-operative Bank, with assets of less than \$1.5 million, ended its independent existence in 1976 when it merged with and into Westfield Co-operative Bank which had assets of approximately \$28 million. At that time it became a branch office of the Westfield Co-operative Bank which was located approximately twenty miles away in Westfield. Five and a half years later it became a branch office of United when Westfield Co-operative Bank discontinued operations through a merger with and into United which at that time had its main office located in Springfield.

Although the Division's procedures implementing the statute governing branch offices requires the filing of two applications for the proposed actions of United, one to close and one to establish a branch office, United views its request as one transaction, relocating its branch office serving the Hilltowns (the "Hilltown Branch") to Huntington. As set out in the application, the primary service area for the banking office will remain exactly the same consisting of the towns of Chester, Huntington, Montgomery, Russell, Blandford, Becket, Middlefield, Worthington and Chesterfield. Those towns are located in parts of three counties. The Hilltown Branch will remain the only banking office in any of those communities. According to the application documents the nearest banking offices from the branch office in Chester are approximately 17.5 miles to the west in the town of Lee and 16.5 miles to the east in the city of Easthampton. United's nearest location is twenty miles away in Westfield at the site of the former main office of the Westfield Co-operative Bank.

From a siting standpoint, United points out that Huntington is at the intersection of the two most heavily traveled roads in the Hilltowns, Routes 20 and 112. The proposed branch office will be located on Route 20 less than $\frac{1}{4}$ mile from the intersection of Route 112. United cites as further evidence of the convenience of the relocation of the Hilltown Branch to Huntington the fact that both the regional middle and high school as well as the medical center are located in Huntington. At the public hearing United's President and Chief Executive Officer explained that the decision to relocate the Hilltown Branch was not made as a choice between towns but as a choice for a more central location from which to serve the entire area.

In addition to the more convenient location United offers several other reasons why the transaction would benefit its Hilltowns customers. It notes that the proposed facility is almost four times as large of the current branch office and this will allow it to offer expanded customer service. Specifically, United states that if the relocation is approved, it plans to offer a drive-up window, night depository and an automated teller machine ("ATM"). United also has submitted information that it would expand hours at the relocated Hilltown Branch by opening on Wednesdays from 9:00 A.M. to 4:00 P.M. and expanding staffing. The proposed larger office will also allow customers privacy during loan interviews and the opening of deposit accounts. Although United acknowledges that some customers will be inconvenienced by the relocation, it emphasizes the fact that the proposed site is only about seven miles from its current branch office, which is not a long trip, it states, by Hilltowns standards.

The banking public served by the current location of United's Hilltowns Branch in Chester stated numerous reasons for their opposition to the Closing. It was offered that many people would be inconvenienced by the relocation to Huntington since a round trip would consist of

about a fourteen mile and twenty minute ride. Such cost of time and travel are significant, it was stated. The availability of an ATM, night drop and drive-thru did not, in their view, offset the inconvenience factor. Moreover, the difficulty of parking and use of a shared driveway with the United States Post Office at the proposed Huntington site were noted as negative features to be considered. Those factors and usual commuting patterns were suggested as resulting in many people continuing on through Huntington and Russell into Westfield to do their banking business either at United's branch office on Elm Street or at the several other banks and credit unions located there.

Objections were also raised to United's failed efforts to pursue other options for commercial space in Chester. Its own actions in having reduced its office space at the current leased site were mentioned as creating the loss of privacy for certain banking transactions which results in less activity at the banking office. Comments were also received on the lack of notice about the proposed relocation to the town agencies in Chester which deposit municipal funds with United in an effort to further support the branch office. It was frequently noted that the Closing would eliminate the remaining physical tie to the former Chester Co-operative Bank which was founded by local individuals.

The task before this Division thus becomes to analyze the closing in light of the statutory test that the area served, as viewed, will not be adversely affected by the transaction. Such analysis must be based upon a case by case review of any unique factors and circumstances affecting the customers and area serviced by the branch office. The statute directs the Division to consider, among other factors, the availability of credit as well as the convenience and necessity of deposit services. The Division has reviewed each such statutory requirement in turn.

On the issue of the availability of credit, the Division has found the Petitioner's record of performance under the Community Reinvestment Act is "Satisfactory" under its most recent evaluation. The documents filed contain further information on the Petitioner's intent to maintain or enhance that level of performance in the Hilltowns. Its CRA commitment to make credit available would remain to the entire area including the town of Chester.

Factors related to convenience and necessity for deposit services, present a similar analysis particularly when viewed in context of the service area considered by United. In such an analysis, the fact that the primary service area of the Hilltown branch remains exactly the same is significant.

The Division's knowledge and familiarity with the Hilltowns obviously pales in comparison to that of the people who live in those several communities. Two visitations, a public hearing and research on the profile of certain towns, is helpful but cannot substitute for the years of knowledge and insight held by the residents of the area. The Division's position is not to negate the comments offered in opposition to the Closing.

In considering the test of whether the area served by United's existing branch office would be adversely affected by the Closing, the Division has focused on the primary service area designated in the application and supplemental filings. The primary service area of a bank or a branch office is not defined in statute or by regulation or in the application materials of this Division. Initially, the boundaries of the service area are detailed by the bank in its application. The reasonableness of any such delineation, however, is reviewed by the Division in its analysis of any transaction. As set out in those documents and referenced previously herein, United

considers the primary service area to be the several communities which make up the Hilltowns. Information on the demographics of those towns have been submitted as well as obtained independently by the Division. The availability of alternative banking facilities have also been carefully analyzed as it relates to the proposed transaction.

The analysis shows what is well known to the residents of the Hilltowns. Their various communities remain separate and distinct in many ways but due to their size participate in various social, recreational, economic and educational entities on a regional or program basis that a single town alone may not be able to provide. The various communities are referred to collectively as the Hilltowns and distinguish themselves, at times, between "northern" and "southern" Hilltowns. The most significant evidence of their collaborative efforts is reflected in the educational facilities. Both the Gateway Regional Middle School and the Gateway Regional High School serve the student population of seven of the communities which make up the Hilltowns. It is also clear that United's branch office, in its own way, is reflective of the area since it provides the only source of banking in the Hilltowns and is used, to varying degrees, by residents and commercial enterprises in the several towns.

Upon review of the extensive record on these applications, I find that the designation of the Hilltowns as the primary service area of United's branch office to be reasonable. The relocation by United of its Hilltown Branch seven miles to Huntington retains the branch office in the primary service area. It will remain the only banking office in the Hilltowns. That branch office will still be 12.5 miles from the nearest banking office in Westfield and 24.5 miles from the closest banking location in Lee.

Based upon this record and a finding that the primary service area for the Hilltown Branch is reasonable in that it includes several similarly situated towns within one distinct area of the Commonwealth; that United's branch office will remain the only banking facility offering deposit and credit services from a location in the Hilltowns; and that the primary service area for the branch office remains the same; I determine that the area served by the branch office will not be adversely affected by the relocation to a site seven miles away in Huntington. This determination also reflects the fact that the site is near the intersection of the major roads through the Hilltowns and is in the town where both the regional middle school and the regional high school serving these several towns are located. There are no financial, managerial or competitive aspects of the transactions which would preclude approval. Accordingly, pursuant to the provisions of General Laws chapter 167C, section 3, I hereby grant United Co-operative Bank approval

- (i) to establish a branch office at 14 Russell Street, Route 20, Huntington; and
- (ii) close its branch office located at 14 Main Street, Chester.

The transactions approved herein must be completed within one year of the date of this Decision.

5/7/96
Date

[Signature]
Commissioner of Banks

MASS. AT 24.6:996/5-31



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GOVERNMENT DOCUMENTS COLLECTION
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8/19/98

WILLIAM F. WELLS
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COMMISSIONER

IN THE MATTER OF SIS BANCORP, INC.
PETITION TO ACQUIRE THE CAPITAL STOCK OF
SPRINGFIELD INSTITUTION FOR SAVINGS, SPRINGFIELD, MASSACHUSETTS

Springfield Institution for Savings (the "Bank"), Springfield, Massachusetts, a state-chartered savings bank and SIS Bancorp, Inc. (the "Petitioner"), a recently organized Massachusetts corporation with its main office at 1441 Main Street, Springfield, Massachusetts, have filed with the Division of Banks (the "Division") for approval of an Agreement and Plan of Reorganization (the "Plan") dated as of January 31, 1996. Under the terms of said Plan, the Petitioner will acquire all of the issued and outstanding shares of the Bank's common stock, other than shares held by stockholders asserting dissenters' rights, in exchange for shares of the Petitioner's common stock pursuant to the provisions of Massachusetts General Laws chapter 172, section 26B. The Bank will then become a wholly owned subsidiary of the Petitioner as a result of this corporate reorganization.

In accordance with the provisions of said section 26B, the Petitioner and the Bank have submitted the requisite certificates of approval by their respective authorized officers. Notices have been given to stockholders of the Bank and to the public. The deadline for filing comments has passed. Consequently, the Plan has been considered in conformity with the cited statutory provisions.

With reference to this petition, no bank expansion in the form of either a merger or multibank holding company acquisition is involved, thus bank competition will not be adversely affected by approval of the proposed transaction. According to information provided in the application, the Bank's services will not be affected as a result of this acquisition. The Petitioner believes that a holding company structure will provide flexibility for meeting the future financial needs of the Bank or other subsidiaries of the Petitioner and for responding to competitive conditions in the financial services industry as a community bank. Upon review, the Bank was found to have an "Outstanding" rating in the most recent examination of its performance under the Community Reinvestment Act. Therefore, public convenience and advantage considerations support approval of this petition. The Division's economic and financial reviews were also found to weigh in favor of this application.

Therefore, based upon the review of the record of this application and a determination that the provisions of said section 26B have been met, approval is hereby granted for the Petitioner's acquisition of the Bank through this reorganization, subject to the following provisions:

1. After the completion of the reorganization of the Bank into the holding company structure the following investments and activities shall be authorized:
 - (a) SIS Bancorp, Inc. may engage directly or indirectly in only such activities as are now or may hereafter be proper activities for bank holding companies registered under the Federal Bank Holding Company Act of 1956, as amended;
 - (b) the Bank may engage in any investment or activity which the Bank may from time to time engage in as a Massachusetts-chartered savings bank; and
 - (c) SIS Bancorp, Inc. and the Bank may engage in any other investment or activity hereafter authorized by the Commissioner of Banks under applicable law.

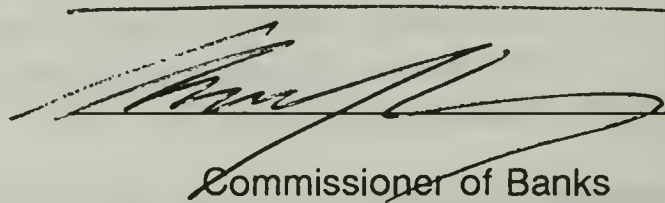
2. Commencing with the effective date of the acquisition, the Division's minimum capital requirements for the Bank and SIS Bancorp, Inc. are as follows:
 - (a) the Bank's Tier I leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon the Bank's most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amount of capital and assets shall be calculated in accordance with 12 CFR Part 325;
 - (b) SIS Bancorp, Inc.'s consolidated Tier 1 leverage capital ratio must equal or exceed 4% or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon its most recent call report or any amendment thereto as reported to the federal or state authority; and
 - (c) if the minimum capital ratios fall or would fall below those stated in clauses (a) and (b), the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the minimum capital ratios set out herein are maintained.
3. This acquisition shall conform with and become effective in accordance with the provisions of Section 2 of the Agreement and Plan of Reorganization.

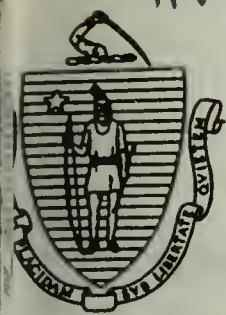
In conjunction with the acquisition plan, the Petitioner is also requesting the Commissioner of Banks' approval under 209 CMR 33.08(6)(c) to acquire all of the outstanding common stock of the Bank. The Bank is a state-chartered savings bank which converted from mutual to stock form under Massachusetts General Laws chapter 168, section 34C and 209 CMR 33.00 et seq., on February 7, 1995. Consequently, the three-year stock acquisition restrictions of 209 CMR 33.08(6)(c) apply to any acquisition of more than 10% of the Bank's stock. Therefore, the Petitioner's request for approval under 209 CMR 33.08(6)(c), is granted in order to give effect to the Petitioner's and the Bank's Agreement and Plan of Reorganization under

Massachusetts General Laws chapter 172, section 26B. However, pursuant to the third paragraph of said section 26B, the stock acquisition restrictions of 209 CMR 33.08(6)(c), previously applicable to the Bank's stock shall hereafter apply the stock of SIS Bancorp, Inc., until their expiration on February 7, 1998.

May 31, 1996

Date


Commissioner of Banks



WILLIAM F. WELD
GOVERNOR
THOMAS J. CURRY
COMMISSIONER

The Commonwealth of Massachusetts

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Leverett Saltonstall Building, Room 2004
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MAR 03 1998
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DECISION
RELATIVE TO THE MERGER OF
NATIONAL BANK OF FAIRHAVEN, FAIRHAVEN, MASSACHUSETTS
WITH AND INTO
SLADE'S FERRY TRUST COMPANY, SOMERSET, MASSACHUSETTS

Slade's Ferry Trust Company, Somerset ("Slade's Ferry" or the "Petitioner") and National Bank of Fairhaven ("Fairhaven"), Fairhaven, Massachusetts have applied to the Commissioner of Banks to merge pursuant to the provisions of Massachusetts General Laws chapter 172, section 36 and under the terms of a Merger Agreement. This Agreement provides for a merger of Fairhaven with and into Slade's Ferry under the name, charter, and by-laws of Slade's Ferry. The two banking offices of Fairhaven will become branch offices of the continuing bank. The proposed merger is the final act of a multi-step transaction which involves the acquisition of Fairhaven's holding company, Fairbank, Inc. by Slade's Ferry and its holding company, Weetamoe Bancorp. That acquisition, by law, was approved by the Commonwealth's Board of Bank Incorporation on August 5, 1996.

Notice of the application has been posted and published. The time period for interested parties to submit comments has passed. Accordingly, all documents and materials related to this transaction have been reviewed. That record has been considered with regard to the financial and managerial resources of each bank, the competitive effects of the proposed transaction and the convenience and needs of the communities to be served by the continuing institution and other applicable statutory criteria.

As of March 31, 1996, Slade's Ferry had consolidated assets of approximately \$232 million. Slade's Ferry operates from seven banking offices with two each in Fall River, Somerset and Swansea with its remaining branch office in Seekonk. Slade's Ferry also operates two subsidiaries which hold real estate and certain securities of the bank. Slade's Ferry is a state-chartered trust company which provides full banking services to consumers and small businesses.

As of March 31, 1996, Fairhaven had total assets of \$64 million. In addition to its main office, Fairhaven operates one branch office in New Bedford. It provides a wide array of deposit and credit products to consumers and businesses within the communities it serves.

The Petitioner has submitted materials to address the statutory criteria of whether competition among banks will not be unreasonably affected by the proposed transaction. Although Slade's Ferry and Fairhaven do have some deposit and credit customers from each other's service area, the banks do not have banking offices in the same community. Moreover, submitted documents indicate a number of financial institutions will continue to provide competitive banking services in the areas where both Slade's Ferry and Fairhaven derive customers. The review of the transaction's impact on competition, with particular emphasis on the communities served by the banking offices of Slade's Ferry and Fairhaven, does not raise any concerns which would preclude its approval.

The Petitioner indicates that the banking public will benefit in several ways by the merger of Fairhaven into Slade's Ferry. Those benefits include, among other things, an extended branch network and higher lending limit for the combined bank. The application also details the wider array of products now offered by Slade's Ferry that will become available to Fairhaven's current customers. Among these products are mortgage loans, adjustable rate mortgage loans, student

loans and recreational vehicle loans. Slade's Ferry, as the continuing bank, will also now offer the fishing vessel mortgage product currently offered by Fairhaven. The Petitioner also states that the combined bank will be a larger more active competitor in Southeastern Massachusetts and particularly in the areas now served by Fairhaven.

In determining whether or not to approve a petition under the statutory criteria, the Commissioner is also required to consider a showing of "net new benefits" related to the transaction. That term as set out in subsection A of section 36 of said chapter 172 includes initial capital investments, job creation plans, consumer and business services, and commitments to maintain and open branch offices among other factors which the Commissioner may deem necessary. The Petitioner has addressed this requirement of statute. In particular, it states that all employees of Fairhaven have been offered continued employment at their present compensation levels with Slade's Ferry after the merger. The maintenance of Fairhaven's two banking offices as branch offices of the continuing bank as well as certain new deposit and credit products to be offered after the transaction are also cited by the Petitioner as support for meeting this criteria.

Related to this issue of public convenience and advantage is the record of performance under the Community Reinvestment Act ("CRA") by the banks involved in the transaction. Such review for state-chartered banks includes examination by personnel of the Division of Banks as well as analysis of concerns received from the bank's delineated community or assessment area and its response to those concerns fairly raised. For other institutions, a publicly available descriptive rating and evaluation by a federal or state bank regulatory agency is considered. Both Slade's Ferry and Fairhaven have "Satisfactory" ratings under CRA.

The review of all such considerations relative to public convenience and advantage as well as CRA are consistent with approval of this transaction.

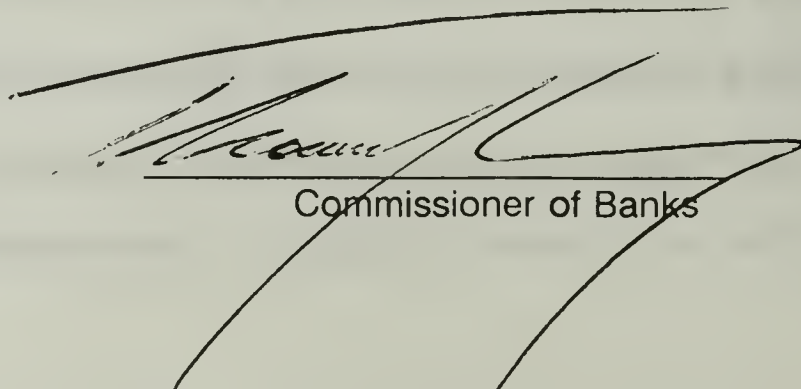
The financial and managerial aspects of the proposed transaction have also been reviewed. The resulting impact to the capital ratios of Slade's Ferry and plans for increasing those ratios subsequent to the transaction were considered. The areas whereby cost savings from the transaction would be generated were also presented. The submitted documents also addressed the continuing management of the combined organization. The analysis of these financial and managerial factors are supportive of the transaction.

Upon review of this application with reference to the relevant statutory and regulatory criteria, this Division has concluded that all such requirements have been met and that consummation of this proposed merger would be in the public interest. On the basis of these considerations, and pursuant to the applicable statutes referenced herein, approval is granted for (1) Fairhaven to merge with and into Slade's Ferry under the name, charter, and by-laws of Slade's Ferry; and (2) for Slade's Ferry to maintain the two banking offices of Fairhaven as branch offices.

The approvals granted herein are subject to the following conditions:

- (1) that no merger shall become effective until a certificate signed by the Presidents and Clerks or other duly authorized officers of the banks involved in each particular merger indicating that each such institution has complied with the provisions of Massachusetts General Laws chapter 172, section 36, as applicable, has been returned with my endorsement thereon;
- (2) that the proposed merger shall not become effective until Articles of Merger with my endorsement thereon are filed with the Secretary of State; and
- (3) that the merger be consummated within one year of the date of this decision.

8/7/96
Date


Commissioner of Banks



The Commonwealth of Massachusetts

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LIAM F. WELD
GOVERNOR

MAS J. CURRY
COMMISSIONER

August 7, 1996

Ralph A. Borges
Senior Vice President/Treasurer
Slade's Ferry Trust Company
100 Slade's Ferry Avenue
Somerset, Massachusetts 02726

Dear Mr. Borges:

Enclosed are the Commissioner's Decision and two original certificates of Consolidation relative to the merger of National Bank of Fairhaven, Fairhaven, Massachusetts with and into Slade's Ferry Trust Company, Somerset, Massachusetts. Please be advised that the top portion of the enclosed certificates must be subscribed to by the presidents and clerks of each merging institution only after all statutory and regulatory requirements, except consummation of the transaction, are fulfilled and returned to the Commissioner as soon as practicable. In returning the certificates, please indicate in a cover letter the specific date and time upon which the transaction will be consummated. If additional consolidation certificates are requested, you may reproduce the enclosed certificates. Each duplicate certificate, however, must be returned to this Division without change in form or content and on white stationery. The two original certificates must also be returned, one of which will be retained by this Division. Upon receipt of the completed certificates, final approval will be granted by the Commissioner evidenced by his endorsement upon the certificates.

Additionally, as required by the Commissioner's Decision, Articles of Merger will have to be filed with the Secretary of State's Office in order to complete this transaction. Those Articles are also to be submitted to the Division for the Commissioner's endorsement thereon. If you have any questions on the filing of the Articles of Merger, you should contact the Secretary of State's Corporation Division at (617) 727-2850.

If you have any questions concerning this process, please contact this Division at (617) 727-3139, extensions 320 or 321.

Sincerely,

Joseph A. Leonard, Jr.
Deputy Commissioner of Banks
and General Counsel

JAL/mhc
Enclosures

COMMONWEALTH OF MASSACHUSETTS
DIVISION OF BANKS

CERTIFICATE OF CONSOLIDATION

NATIONAL BANK OF FAIRHAVEN, FAIRHAVEN, MASSACHUSETTS
WITH AND INTO
SLADE'S FERRY TRUST COMPANY, SOMERSET, MASSACHUSETTS

The following officers hereby certify that as of the _____ day of August 1996, all relevant state and federal statutory and regulatory provisions have been fulfilled to give effect to the consolidation of NATIONAL BANK OF FAIRHAVEN ("FAIRHAVEN") with and into SLADE'S FERRY TRUST COMPANY ("SLADE'S FERRY") under the charter, by-laws and name of SLADE'S FERRY TRUST COMPANY, using the main office of SLADE'S FERRY as the main office of the continuing bank, and maintaining the offices of both banks as branch offices in accordance with the terms and conditions of a Merger Agreement.

OFFICER TITLE
SLADE'S FERRY TRUST COMPANY

OFFICER TITLE
NATIONAL BANK OF FAIRHAVEN

OFFICER TITLE
SLADE'S FERRY TRUST COMPANY

OFFICER TITLE
NATIONAL BANK OF FAIRHAVEN

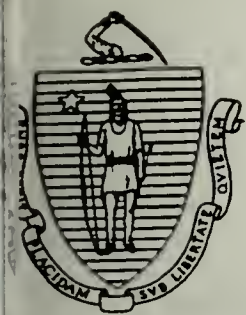
APPROVAL OF THE COMMISSIONER OF BANKS

Having approved the consolidation of NATIONAL BANK OF FAIRHAVEN, Fairhaven, Massachusetts with and into SLADE'S FERRY TRUST COMPANY, Somerset, Massachusetts in my Decision dated August , 1996, I hereby endorse on this Certificate my approval of this consolidation in accordance with the provisions of the Massachusetts General Laws chapter 172, section 36 and related statutes to take effect on

Executed under the seal of the Commissioner of Banks this _____ day of _____, 1996.

Thomas J. Curry
Commissioner of Banks

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The Commonwealth of Massachusetts

Office of the Commissioner of Banks

Leverett Saltonstall Building, Room 2004

100 Cambridge Street

Boston, Massachusetts 02202

LLIAM F. WELD
GOVERNOR

OMAS J. CURRY

COMMISSIONER

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OCT 22 1996

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DECISION

RELATIVE TO THE APPLICATION OF
UNIBANK FOR SAVINGS, WHITINSVILLE

TO BECOME A MUTUAL HOLDING COMPANY

Unibank for Savings ("the "Petitioner"), Whitinsville, Massachusetts, a state-chartered savings bank, in mutual form, has filed with the Division of Banks for approval to reorganize so as to become a mutual holding company. The reorganization is to be accomplished pursuant to the provisions of Massachusetts General Laws chapter 167H, section 3 and effective in accordance with a Plan of Reorganization approved and adopted by both the Petitioner's Board of Trustees and its Corporators on November 28, 1995 and February 6, 1996, respectively. The mutual holding company will be known as UFS Bancorp (the "Holding Company") and headquartered at 49 Church Street, Whitinsville, Massachusetts. As part of the reorganization, the Petitioner will establish a subsidiary savings bank, in stock form, which will use the name UniBank for Savings (the "Subsidiary Bank"). Accordingly, the Petitioner filed an application with the Board of Bank Incorporation (the "Board") relative to the formation of the Subsidiary Bank. The merits of that application were, by statute, considered by the Board, which issued, as of this same date, a certificate to commence business for the Subsidiary Bank.

In accordance with the provisions of said chapter 167H, the Petitioner has submitted the requisite documents and information relative to this transaction. Notice has been given to its

depositors and to the public. The deadline for filing comments has passed. Consequently, the reorganization has been considered in conformity with relevant statutory and regulatory provisions.

The application and supporting documents have established an extensive record on this petition which has been reviewed in light of the statutory and regulatory provisions as well as policies of the Division. Those statutory requirements necessitate that, among other things, the Division consider whether the reorganization will be unfair to the depositors of the Petitioner and whether the public will be served by this transaction. Having considered the record established in this application, the Division has determined that statutory and administrative considerations support approval of the reorganization.

In accordance with these findings and pursuant to statute, I hereby approve the reorganization subject to the submission to the Division of a favorable tax ruling or opinion of counsel, to the effect that the transaction will qualify as a tax-free reorganization, no later than at the time of closing of the transaction and subject to the following considerations:

1. The reorganization shall not be consummated until:
 - a. all additional regulatory approvals have been obtained; and
 - b. all of the assets of the Petitioner are transferred to the Subsidiary Bank subject to the retention of \$13,000,000.00 in cash, U.S. Treasury and agency securities and other investments.
2. Commencing with the acquisition's effective date, the Division's minimum capital requirements for the Subsidiary Bank and the Holding Company are as follows:
 - a. the Subsidiary Bank's Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon

the Subsidiary Bank's most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amount of capital shall be calculated in accordance with 12 CFR Part 325.

- b. the Holding Company's Tier 1 capital must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon its most recent call report or any amendment thereto as reported to the federal or state authority. The amount of capital shall be calculated in accordance with 12 CFR Part 325; and
- c. If the minimum capital ratios fall or would fall below those stated in clauses a and b, the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the minimum capital ratios set out herein are maintained.

3. After the completion of the reorganization

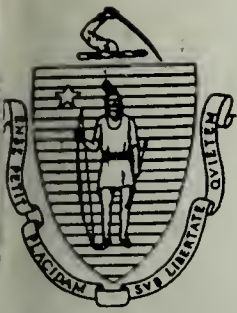
- a. the Holding Company may engage in only such activities as are now or may hereinafter be activities authorized for a mutual holding company under section 7 and other applicable provisions of chapter 167H; and
- b. the Subsidiary Bank may engage in any investment or activity which it may from time to time engage in as a state-chartered savings bank in stock form.

4. That Articles of Organization and/or Charter documents be placed on record with the Office of the Secretary of State.

Date

9/30/96

Commissioner of Banks



The Commonwealth of Massachusetts

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WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

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DECISION
RELATIVE TO THE APPLICATION OF
HUDSON SAVINGS BANK, HUDSON
TO BECOME A MUTUAL HOLDING COMPANY.

Hudson Savings Bank (the "Petitioner"), Hudson, Massachusetts, a state-chartered savings bank, in mutual form, has filed with the Division of Banks for approval to reorganize so as to become a mutual holding company. The reorganization is to be accomplished pursuant to the provisions of Massachusetts General Laws chapter 167H, section 3 and effective in accordance with a Plan of Reorganization approved and adopted by both the Petitioner's Board of Trustees and its Corporators on January 18, 1996 and February 8, 1996, respectively. The mutual holding company will be known as Assabet Valley Bancorp (the "Holding Company") and headquartered at 42 Main Street, Hudson, Massachusetts. As part of the reorganization, the Petitioner will establish a subsidiary savings bank, in stock form, which will use the name Hudson Savings Bank (the "Subsidiary Bank"). Accordingly, the Petitioner filed an application with the Board of Bank Incorporation (the "Board") relative to the formation of the Subsidiary Bank. The merits of that application were, by statute, considered by the Board, which issued, as of this same date, a certificate to commence business for the Subsidiary Bank.

In accordance with the provisions of said chapter 167H, the Petitioner has submitted the requisite documents and information relative to this transaction. Notice has been given to its

depositors and to the public. The deadline for filing comments has passed. Consequently, the reorganization has been considered in conformity with relevant statutory and regulatory provisions.

The application and supporting documents have established an extensive record on this petition which has been reviewed in light of the statutory and regulatory provisions as well as policies of the Division. Those statutory requirements necessitate that, among other things, the Division consider whether the reorganization will be unfair to the depositors of the Petitioner and whether the public will be served by this transaction. Having considered the record established in this application, the Division has determined that statutory and administrative considerations support approval of the reorganization.

In accordance with these findings and pursuant to statute, I hereby approve the reorganization subject to the submission to the Division of a favorable tax ruling or opinion of counsel, to the effect that the transaction will qualify as a tax-free reorganization, no later than at the time of closing of the transaction and subject to the following considerations:

1. The reorganization shall not be consummated until:
 - a. all additional regulatory approvals have been obtained; and
 - b. all of the assets of the Petitioner are transferred to the Subsidiary Bank subject to the retention of \$6,000,000.00 in U.S. Treasury and agency securities and corporate debt and equity securities.
2. Commencing with the acquisition's effective date, the Division's minimum capital requirements for the Subsidiary Bank and the Holding Company are as follows:
 - a. the Subsidiary Bank's Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon

the Subsidiary Bank's most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amount of capital shall be calculated in accordance with 12 CFR Part 325.

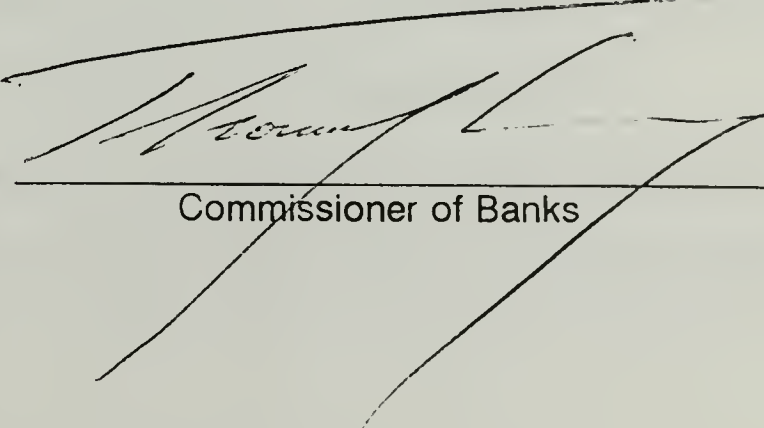
- b. the Holding Company's Tier 1 capital must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon its most recent call report or any amendment thereto as reported to the federal or state authority. The amount of capital shall be calculated in accordance with 12 CFR Part 325; and
- c. If the minimum capital ratios fall or would fall below those stated in clauses a and b, the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the minimum capital ratios set out herein are maintained.

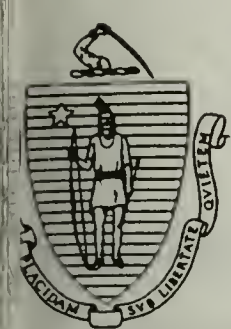
3. After the completion of the reorganization

- a. the Holding Company may engage in only such activities as are now or may hereinafter be activities authorized for a mutual holding company under section 7 and other applicable provisions of chapter 167H; and
- b. the Subsidiary Bank may engage in any investment or activity which it may from time to time engage in as a state-chartered savings bank in stock form.

4. That Articles of Organization and/or Charter documents be placed on record with the Office of the Secretary of State.

9/30/96
Date


Commissioner of Banks



The Commonwealth of Massachusetts

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DECISION
ON THE PETITION TO ESTABLISH
TOWNE BANK
IN REVERE, MASSACHUSETTS

The Incorporators (or the "Petitioners") of the proposed Towne Bank (the "Bank" or "Towne") have submitted an application with related documents to the Board of Bank Incorporation (the "Board") for the issuance of a certificate that public convenience and advantage will be promoted by the establishment of the proposed Bank in Revere, Massachusetts. The Petitioners seek to establish the Bank as a trust company under the provisions of Massachusetts General Laws chapter 172.

Notice of the application, affording opportunity for interested persons to submit comments, has been published and posted in accordance with the requirements of section 6 of said chapter 172 of the General Laws and procedures of the Board. A public hearing was held on October 10, 1996 by the Board to receive comments from interested parties. The public hearing was attended by ten of the Bank's fifteen Incorporators. The time for filing comments and supplementary materials after the hearing has passed. The application and all documents and comments in the record of this matter have been considered by the Board.

The establishment of a state-chartered trust company by statute involves a two-step procedure before the Board. The first is the petition now pending while the second step is a

certificate to transact business. In determining whether to issue a certificate that public convenience and advantage will be promoted by the establishment of a new trust company, the Board has reviewed the statutory criteria of the adequacy of banking facilities in the area, the general character of the Bank's management, the adequacy of its capital structure and the convenience and needs of the community to be served. The Petitioners' filings and testimony at the public hearing have addressed each of these matters in conjunction with the application.

In order to receive a certificate to transact business from the Board, the proposed bank must, among other things, comply with the provisions of section 9 of chapter 172 of the General Laws. Those requirements include raising the required capital, identifying satisfactory members of its Board of Directors and operating management, complying with all requirements of law, and submitting other documentation. The proposed bank must also obtain deposit insurance from the Federal Deposit Insurance Corporation. As set out in section 6 of said chapter 172, the proposed bank has one year from the issuance of the certificate of public convenience and advantage to complete its organization.

The Petitioners have designated Revere as the Bank's primary service area. It will also serve surrounding communities identified as Chelsea, East Boston, Everett, Lynn, Malden, Saugus and Winthrop. Upon analysis of the adequacy of banking facilities within the primary service area of the Bank, the Petitioners argue a need exists for Towne Bank for several reasons. In general, they cite recent mergers and acquisitions and a resulting need for a community bank as support for their petition. In particular, they state that these consolidation transactions have resulted in approximately 68% of Revere's deposits concentrated in local branch offices of Boston based banks which are subsidiaries of large regional bank holding companies. In that corporate structure, according to the Petitioners' brief, decisions are not made locally and consumer choice is limited to standardized products marketed throughout the bank holding

company's market. Consistent with that analysis, they argue that Revere needs an additional community-based independent bank. The municipalities surrounding Revere which are also to be serviced by the Bank, are similarly impacted by the ongoing consolidation within the banking industry. They seek to establish Towne to provide the banking public a choice of banks as well as products. The Board's review of the adequacy of banking facilities does not preclude its approval of the proposal.

The Petitioners are seeking to establish a management structure which will be comprised of a selected team of professionals who have experience in banking as well as knowledge of the local community. The proposed Bank's President and Chief Executive Officer has been identified to the Board and that individual has served as the lead proponent of this petition. The Chairman of the Board of Directors has also been identified. The application offers that the character and experience of the incorporators, ten of whom are currently scheduled to serve as directors, will further assist the Bank in identifying and fulfilling the needs of the community to be served by the proposed Bank. The background and banking experience of certain of these individuals is known as well as documented. The leading incorporator had served as President and Chief Executive Officer for the former Metropolitan Bank and Trust Company ("Metropolitan"), Melrose. In December of 1994, Metropolitan was acquired by Central Co-operative Bank ("Central"), Somerville. In the final action in that multi-step transaction, Metropolitan merged with and into Central.

As part of the process to establish a new bank, however, the Board reviews the general character of all the incorporators and the qualifications of the proposed management including the board of directors since proper management is vital to the organization and initial operation of a new bank. It is a factor reviewed by the Board at both stages of this two-step process to establish a trust company. Accordingly, the Board would emphasize that the incorporators

cannot rely solely on one individual and must develop a competent and complete management team prior to the issuance of a certificate to transact business. The information on the management structure of Towne submitted for this stage of review is sufficient for the Board to make a determination on this petition.

Another statutory criteria to be considered by the Board is the adequacy of the capital structure of the proposed Bank. The Board has determined, as policy, that a minimum initial capitalization of \$8 million, net of organizational expenses, must be attained. See Decision On The Petition To Establish Asian American Bank and Trust Company in Chinatown, Boston, Massachusetts, December 28, 1992. The Incorporators of Towne intend to raise between \$8.5 and \$11 million in capital. As set out in submitted documents, they plan to raise such funds primarily through a combination of management and incorporator participation and contacts. If necessary, the efforts of an investment banking firm will be utilized. The Petitioners' projections for an initial three-year period of operation show that the proposed Bank would meet all regulatory capital requirements from their initial offering without the need to further access the market. The actual amount raised, the manner by which all such funds were obtained as well as the shareholders of Towne are all matters to be analyzed by the Board during the next stage of this two-step process to form a trust company.

A major factor to be considered by the Board in its analysis of an application to establish a new bank is the public convenience and advantage that will be served by its operation. That review includes the products and services to be offered as well as the means by which such banking business will be provided. As set out in the brief, stated in oral testimony and included in related materials filed, the proposed Bank intends to offer a full array of credit and deposit services to the community it will serve. Moreover, it will customize its loan products to meet a borrower's needs. As a community bank, it will focus on customer service with access to senior

management and timely decisions on various applications.

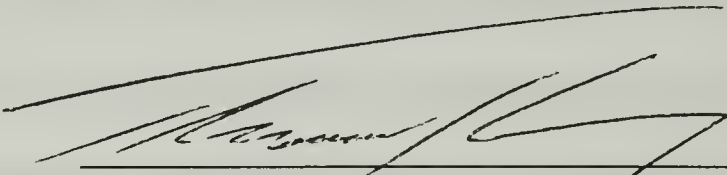
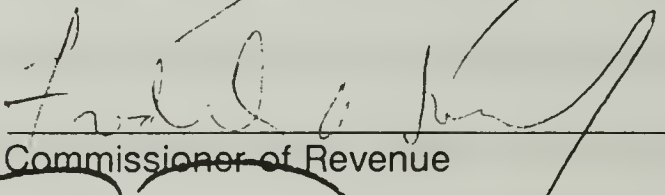
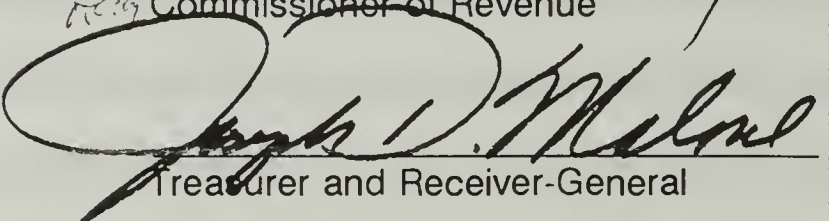
The Petitioners describe Towne as a full-service community bank offering both commercial and consumer banking services. Its targeted customers would include small businesses, professionals, not for profits corporations, homeowners and consumers in general. Credit products offered would include commercial loans, commercial and residential real estate loans, home equity and installment loans. Deposit accounts would include both demand deposits and NOW accounts as well as regular savings and time deposit accounts. In particular, a free, no balance checking account was emphasized at the public hearing as a means to provide a service need to the banking public. Electronic banking services will also be provided through nationwide networks. Other general banking services will be available according to the application.

Another important factor reviewed by the Board is the Petitioners' compliance with the provisions of the Community Reinvestment Act ("CRA"). The petition contains the information on the proposed lending activities of the Bank. It adequately cites the Bank's intentions for meeting local credit needs and promoting community involvement by the Bank. Moreover, the Board has reviewed the prior performance of Metropolitan Bank and Trust Company under CRA. That review clearly shows that while under the direction certain of the proposed management of Towne, the CRA performance of Metropolitan Bank and Trust Company was found to have been satisfactory.

Having considered the record established by the Petitioners on the adequacy of the banking facilities in the area, the general character of its management, the adequacy of its capital structure and the convenience and needs of the community to be served, the Board has found that the applicable statutory and administrative criteria have been fulfilled and that the establishment of the proposed bank is in the public interest. In accordance with the Board's findings, this application is approved and a certificate that public convenience and advantage will

be promoted by the establishment of Towne Bank is hereby issued.

Both the Petitioners and the general public are advised that the proposed Bank must fulfill its statutory obligations to obtain a certificate to transact business according to the provisions of Massachusetts General Laws chapter 172, section 9. These preconditions for initiating transactions at this new Bank must be completed within one year from this approval date. If the proposed Bank does not complete its organization within that period then, by operation of law, as set out in section 6 of said chapter 172, this certificate of public convenience and advantage is revoked. During this organization period the proposed bank shall be referred to in all public materials as "in organization". All organization documents and policies must be submitted to the Board for review.

	)	
Commissioner of Banks	)	
	)	Board of
Commissioner of Revenue	)	Bank
	)	Incorporation
Treasurer and Receiver-General	)	

November 1, 1996

Date



The Commonwealth of Massachusetts

Board of Bank Incorporation

State Office Building, Boston

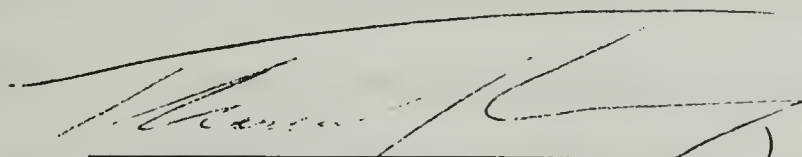
CERTIFICATE OF PUBLIC CONVENIENCE AND ADVANTAGE

The Board of Bank Incorporation constituted under the provisions of Massachusetts General Laws chapter 26, section 5, and acting under the powers conferred upon it by chapter 172, section 6 of said General Laws, hereby certifies that public convenience and advantage will be promoted by the establishment of a trust company in the City of Revere, in the Commonwealth to be known as

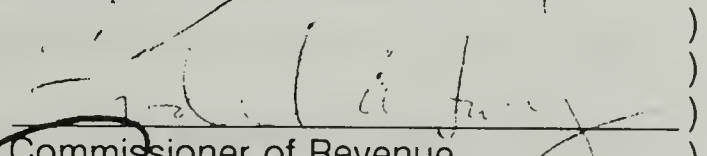
TOWNE BANK

This Certificate shall be deemed to be revoked if the applicants therefore do not become incorporated and begin business, in accordance with the provisions of section 9 of said chapter 172, within one year after the date of the issuance of this Certificate.

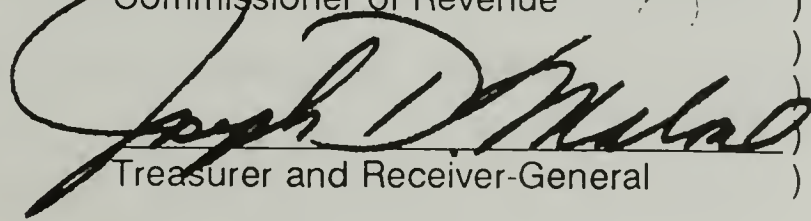
IN TESTIMONY WHEREOF the members of the Board hereby affix their names at Boston this 1st day of November, 1996.



Commissioner of Banks



Commissioner of Revenue



Treasurer and Receiver-General

Board of
Bank

Incorporation



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

Leverett Saltonstall Building, Room 2004

100 Cambridge Street

Boston, Massachusetts 02202

AM F. WELD
OVERNOR
AS J. CURRY
MISSIONER

GOVERNMENT DOCUMENTS
Tel (617) 727-4141
Fax (617) 727-0607
TDD (617) 727-7625
JAN 31 1997

DECISION
RELATIVE TO THE APPLICATION OF
MEDWAY SAVINGS BANK, MEDWAY
TO BECOME A MUTUAL HOLDING COMPANY

University of Massachusetts
Depository Copy

Medway Savings Bank (the "Petitioner"), Medway, Massachusetts, a state-chartered savings bank, in mutual form, has filed with the Division of Banks for approval to reorganize so as to become a mutual holding company. The reorganization is to be accomplished pursuant to the provisions of Massachusetts General Laws chapter 167H, section 3 and effective in accordance with a Plan of Reorganization approved and adopted by both the Petitioner's Board of Trustees and its Corporators on May 21, 1996 and October 15, 1996, respectively. The mutual holding company will be known as Service Bancorp, M.H.C. (the "Holding Company") and headquartered at 81 Main Street, Medway, Massachusetts. As part of the reorganization, the Petitioner will establish a subsidiary savings bank, in stock form, which will use the name Medway Savings Bank (the "Subsidiary Bank"). Accordingly, the Petitioner filed an application with the Board of Bank Incorporation (the "Board") relative to the formation of the Subsidiary Bank. The merits of that application were, by statute, considered by the Board, which issued, as of this same date, a certificate to commence business for the Subsidiary Bank.

In accordance with the provisions of said chapter 167H, the Petitioner has submitted the requisite documents and information relative to this transaction. Notice has been given to its depositors and to the public. The deadline for filing comments has passed. Consequently, the reorganization has been considered in conformity with relevant statutory and regulatory provisions.

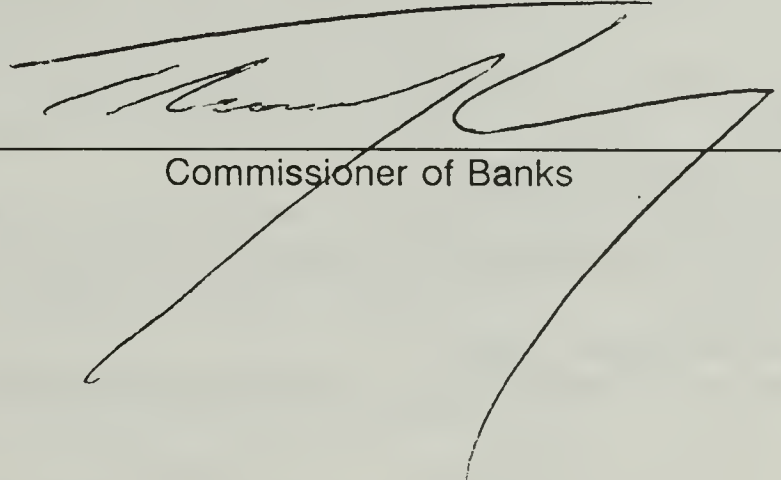
The application and supporting documents, as amended, have established an extensive record on this petition which has been reviewed in light of the statutory provisions and policies of the Division. Those statutory requirements necessitate that, among other things, the Division consider whether the reorganization will be unfair to the depositors of the Petitioner and whether the public will be served by this transaction. Having considered the record established in this application, the Division has determined that statutory and administrative considerations support approval of the reorganization.

In accordance with these findings and pursuant to statute, I hereby approve the reorganization subject to the submission to the Division of a favorable tax ruling, opinion of counsel or other opinion of recognized experts in the field of taxation no later than at the time of closing of the transaction and the following considerations:

1. The reorganization shall not be consummated until:
 - a. all additional regulatory approval have been obtained; and
 - b. all of the assets of the Petitioner are transferred to the Subsidiary Bank subject to the retention of assets of no more than \$50,000.
2. Commencing with the acquisition's effective date, the Division's minimum capital requirements for the Subsidiary Bank and the Holding Company are as follows:
 - a. the Subsidiary Bank's Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon the Subsidiary Bank's most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amount of capital shall be calculated in accordance with 12 CFR Part 325.
 - b. the Holding Company's consolidated Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon its most recent call report or any amendment thereto as reported to the federal or state authority; and

- c. If the minimum capital ratios fall or would fall below those stated in clauses a and b, the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the minimum capital ratios set out herein are maintained.
- 3. After the completion of the reorganization
 - a. the Holding Company may engage in only such activities as are now or may hereinafter be activities authorized for a mutual holding company under section 7 and other applicable provisions of chapter 167H; and
 - b. the Subsidiary Bank may engage in any investment or activity which it may from time to time engage in as a state-chartered savings bank in stock form.
- 4. That Articles of Organization and/or Charter documents be placed on record with the Office of the Secretary of State.

12/6/96
Date


Commissioner of Banks



The Commonwealth of Massachusetts

Board of Bank Incorporation

State Office Building, Boston

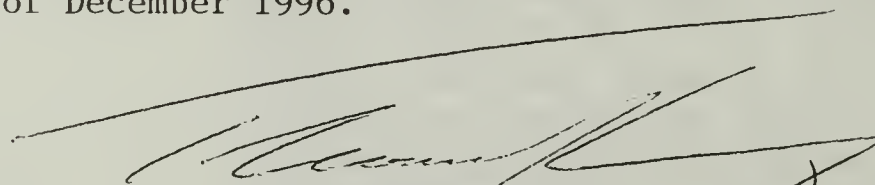
CERTIFICATE TO COMMENCE BUSINESS

The Board of Bank Incorporation constituted under the provisions of Massachusetts General Laws chapter 26, section 5, and acting under the powers conferred upon it by chapter 167H, section 5 of said General Laws hereby certifies that

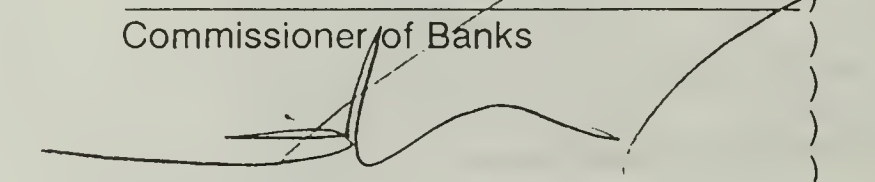
MEDWAY SAVINGS BANK

Medway, in said Commonwealth, has filed with the Board Articles of Organization and other information required by said section 5 of said chapter 167H and an examination has been made from which the Board has determined that the Bank has complied with all other requirements of said chapter 167H. Medway Savings Bank is hereby authorized to commence the business of a stock bank provided that business shall not commence until the Bank has filed applicable documents with the State Secretary.

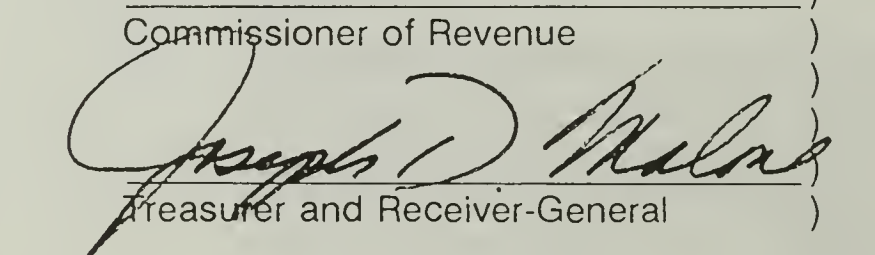
IN TESTIMONY WHEREOF the members of the Board hereby affix their name at Boston this 6th day of December 1996.



Commissioner of Banks

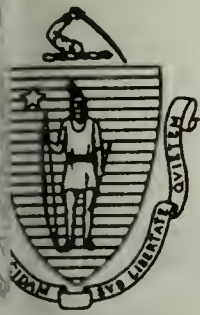


Commissioner of Revenue



Treasurer and Receiver-General

Board of
Bank
Incorporation



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

Leverett Saltonstall Building, Room 2002

100 Cambridge Street

Boston, Massachusetts 02202

GOVERNMENT DOCUMENTS
COLLECTION

JAN 31 1997

Tel (617) 727-3145

Fax (617) 727-0607

University of Massachusetts

Depository Copy

AM F. WELD

GOVERNOR

AS J. CURRY

MISSIONER

DECISION
RELATIVE TO THE MERGER OF
GREATER BOSTON BANK, A CO-OPERATIVE BANK, BRIGHTON, MASSACHUSETTS
WITH AND INTO
GROVE BANK, BRIGHTON, MASSACHUSETTS
AND RELATED TRANSACTIONS

Grove Bank ("Grove" or the "Petitioner"), Brighton, Massachusetts has applied to the Division of Banks to merge with Greater Boston Bank, A Co-operative Bank ("Greater Boston"), Brighton, Massachusetts pursuant to the provisions of Massachusetts General Laws chapter 168, section 34D and under the terms of an Agreement and Plan of Merger (the "Agreement") dated as of August 26, 1996. The Agreement provides for the merger of Greater Boston with and into Grove under the name, charter and by-laws of Grove Bank. The three banking offices of Greater Boston will become branch offices of Grove. In conjunction with and prior to this transaction, an application has also been made for a merger of Grove Interim Trust Company, in organization, with and into Greater Boston. Grove Interim Trust Company is being formed as a wholly owned subsidiary of Grove. It has received a Certificate of Public Convenience and Advantage, under General Laws chapter 172, section 6 from the Massachusetts Board of Bank Incorporation as part of this multi-step transaction.

Notice of the applications has been posted and published. The time period for interested parties to submit comments has passed. Accordingly, all documents and materials related to this transaction have been reviewed. That record has been considered with regard to the financial and managerial resources of each bank, the competitive effects of the proposed transactions and the convenience and needs of the communities to be served by the continuing institution and other applicable statutory criteria.

Grove is a state-chartered stock form savings bank. As of the date of application it had seven banking offices located in the communities of Brighton, Brookline, Chestnut Hill, Framingham and Stoughton with two offices in Newton. It has also received all required approvals to establish a branch office in Newtonville. As of June 30, 1996, Grove had total consolidated assets of approximately \$590.4 million. Its executive offices are located in Chestnut Hill.

Greater Boston is a state-chartered co-operative bank in stock form. It received an infusion of capital under a supervisory conversion that became effective on June 30, 1993. As part of that conversion, Greater Boston's excess deposit insurer, the Co-operative Central Bank, advanced certain funds and received preferred non-voting stock in Greater Boston. Prior to this transaction, the Co-operative Central Bank's remaining preferred stock holdings will be purchased by Greater Boston, thereby paying back the funds so advanced. In addition to its main office in Brighton, Greater Boston has branch offices in Allston and Jamaica Plain. As of June 30, 1996, Greater Boston has total consolidated assets of approximately \$167.2 million. This represents a significant increase from the approximately \$120 million in assets at the time of conversion.

The Petitioner has submitted materials to address the issue that competition among banks will not be unreasonably affected by the proposed transaction. Much of that analysis is detailed according to various tests relative to the size of each institution and its competitors within delineated markets used by federal agencies. That analysis demonstrates that consummation of the transaction will not result in undue concentration of banking resources in the specified banking markets in Massachusetts.

The Division, however, also looks to the primary service area of the bank which is being merged with and into another financial institution to analyze the banking options which will remain for the public in those communities. Although Greater Boston provides services to customers in Boston's neighborhoods and numerous municipalities within the vicinity, the

Division's review has focused on the communities in which it operates banking offices. As noted previously Greater Boston's offices are located in three of Boston's neighborhoods, with its main office in Brighton and its branch offices in Allston and Jamaica Plain. Overlap in the office network of both banks exists in Brighton where Grove also has its main office. However, there are also branch offices of five other banks located there. In Jamaica Plain there are branch offices of four other banks while in Allston there are also four other banking options available to customers. The other banks located in these neighborhoods consist of diverse institutions including large regional banks, a trust company, a federal thrift institution, savings banks and a co-operative bank. Other nonbank financial institutions and sources of banking services are also available within these neighborhoods. Accordingly, the Division's analysis of these facts and materials indicate that no significant adverse impact on competition within the cited service area of Greater Boston would result from this consolidation.

The Division has also considered whether public convenience and advantage will be promoted by this proposed transaction. The Petitioner's application documents provide examples of the benefits which will result from the merger of the Interim Trust and Greater Boston and Greater Boston into Grove. The retention of Greater Boston's three banking offices added to the seven existing banking offices of Grove are cited as an example of such convenience and advantage, particularly in light of the greater geographic area covered by such branch offices. Additionally, a broader selection of products and services will become available to Greater Boston's customers. In particular, the Petitioner cites a no fee, no minimum balance checking account; a sweep account for business customers; and a premium money market variable rate account. Although Grove and Greater Boston each have both different primary and excess deposit insurers, customer accounts will not be affected and excess insurance will be maintained.

Related to the issue of public convenience and advantage is the record of performance under the Community Reinvestment Act ("CRA") by the banks which are the parties to this multi-

step transaction. Such review for a state-chartered bank includes examination by personnel of the Division as well as analysis of concerns received from the bank's community and its response to those concerns fairly raised. The records of the Division reflect that Greater Boston has an "Outstanding" rating and Grove a "Satisfactory" in their most recent examinations of performance under CRA. Accordingly, the Division's review of factors related to public convenience and advantage are consistent with approval.

The financial structure of the transaction was reviewed and addressed. The financial aspects as impacted by the tax consequences on the proposed corporate structure of the transaction were also considered in light of the merger of Grove Interim Trust Company into Greater Boston. The resulting capital ratios and projections for the Petitioner are satisfactory. Management factors reviewed in consideration of the proposed transaction are also supportive of its approval. Additionally, all other requirements of statute relating to a merger have been met.

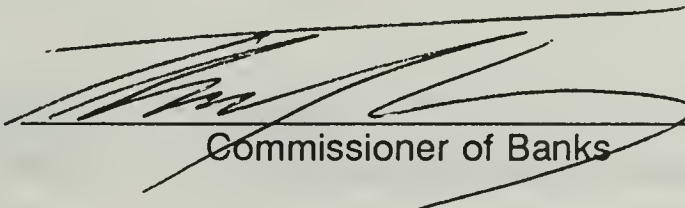
The application filed concerning the merger of Grove Interim Trust Company and Greater Boston was submitted under a statute similar to that governing the Grove and Greater Boston consolidation. A record has also been established relative to that part of this multi-step transaction. Pursuant to those same provisions of law and policies of the Division, this merger, in which Greater Boston will be the continuing entity until its subsequent merger with and into Grove, has been reviewed under the same considerations detailed previously herein.

Upon review of these applications with reference to the relevant statutory and regulatory criteria, the Division has concluded that all such requirements have been met and that consummation of these proposed mergers would be in the public interest. On the basis of these considerations approval is granted for Grove Interim Trust Company to merge with and into Greater Boston and subsequent to that consolidation, for Greater Boston to merge with and into Grove. Approval is also granted for Grove to maintain the three banking offices of Greater Boston as branch offices under General Laws chapter 167C, section 3.

The approvals granted herein are subject to the following conditions:

- (1) that prior to any merger, Grove Interim Trust Company obtain a certificate to transact business from the Board of Bank Incorporation;
- (2) that no merger shall become effective until a certificate signed by the Presidents and Clerks or other duly authorized officers of the banks involved in each particular merger indicating that each such institution has complied with the provisions of Massachusetts General Laws chapter 168, section 34D or other applicable statute has been returned with my endorsement thereon;
- (3) that the proposed mergers shall not become effective until Articles of Merger with my endorsement thereon are filed with the Secretary of State; and
- (4) that all such mergers shall be consummated within one year of the date of this decision.

December 27, 1996
Date


Commissioner of Banks

COMMONWEALTH OF MASSACHUSETTS
DIVISION OF BANKS

CERTIFICATE OF CONSOLIDATION

GREATER BOSTON BANK, A CO-OPERATIVE BANK, BRIGHTON, MASSACHUSETTS
WITH
GROVE BANK, BRIGHTON, MASSACHUSETTS

The following officers hereby certify that as of the _____ day of _____, 199____, all relevant state and federal statutory and regulatory provisions have been fulfilled to give effect to the consolidation of GREATER BOSTON BANK, A CO-OPERATIVE BANK and GROVE BANK under the charter and by-laws and name of GROVE BANK, using the main office of GROVE BANK as the main office of the continuing bank and maintaining the offices of both banks as branch offices in accordance with the terms and conditions of the Agreement and Plan of Merger dated as of August 26, 1996. We further certify that upon consummation of this consolidation, the charter of GREATER BOSTON BANK, A CO-OPERATIVE BANK will cease to exist.

OFFICER TITLE
GREATER BOSTON BANK, A CO-OPERATIVE BANK

OFFICER TITLE
GROVE BANK

OFFICER TITLE
GREATER BOSTON BANK, A CO-OPERATIVE BANK

OFFICER TITLE
GROVE BANK

APPROVAL OF THE COMMISSIONER OF BANKS

Having approved the consolidation of GREATER BOSTON BANK, A CO-OPERATIVE BANK, Brighton, Massachusetts and GROVE BANK, Brighton, Massachusetts in my Decision dated December 27, 1996, I hereby endorse on this Certificate my approval of this consolidation in accordance with the provisions of Massachusetts General Laws chapter 168, section 34D to take effect

Executed under the seal of the Commissioner of Banks this _____ day of _____, 199____.

Thomas J. Curry
Commissioner of Banks

COMMONWEALTH OF MASSACHUSETTS
DIVISION OF BANKS

CERTIFICATE OF CONSOLIDATION

GROVE INTERIM TRUST COMPANY, CHESTNUT HILL, MASSACHUSETTS
WITH
GREATER BOSTON BANK, A CO-OPERATIVE BANK, BRIGHTON, MASSACHUSETTS

The following officers hereby certify that as of the _____ day of _____, 199____, all relevant state and federal statutory and regulatory provisions have been fulfilled to give effect to the consolidation of GROVE INTERIM TRUST COMPANY and GREATER BOSTON BANK, A CO-OPERATIVE BANK under the charter and by-laws of GREATER BOSTON BANK, A CO-OPERATIVE BANK, in accordance with the terms and conditions of the Agreement and Plan of Merger dated as of August 26, 1996. We further certify that upon consummation of this consolidation, the charter of GROVE INTERIM TRUST COMPANY will cease to exist.

OFFICER	TITLE
GROVE INTERIM TRUST COMPANY	

OFFICER	TITLE
GREATER BOSTON BANK, A CO-OPERATIVE BANK	

OFFICER	TITLE
GROVE INTERIM TRUST COMPANY	

OFFICER	TITLE
GREATER BOSTON BANK, A CO-OPERATIVE BANK	

APPROVAL OF THE COMMISSIONER OF BANKS

Having approved the consolidation of GROVE INTERIM TRUST COMPANY, Chestnut Hill, Massachusetts and GREATER BOSTON BANK, A CO-OPERATIVE BANK, Brighton, Massachusetts in my Decision dated December 27, 1996, I hereby endorse on this Certificate my approval of this consolidation in accordance with the provisions of Massachusetts General Laws chapter 170, section 26D to take effect

Executed under the seal of the Commissioner of Banks this day of , 1999 .

Thomas J. Curry
Commissioner of Banks

ACME
BOOKBINDING CO., INC.

JUN 22 2000

100 CAMBRIDGE STREET
CHARLESTOWN, MA 02122

